

and that the reimportation of Mexican pesos be prohibited after proper delay ;  
(2) That a ratio be established between gold and silver based upon the average gold price of silver for the preceding ten years, which should not be raised more than ten per cent.;  
(3) That gold should not at first be coined for either the government or individuals, but that such coinage should be deferred until the new coin should have attained parity with gold and when in the opinion of the government the circulation of gold would not impair the maintenance of this parity.<sup>1</sup>

A plan for carrying out these ideas was presented to Congress by Minister Limantour on November 16, 1904, which reviewed all sides of the discussion which had been taking place in Mexico, frankly discussed the merits and defects of the old system, and pointed out the means of establishing the new. In this report the argument that the export trade profited by a depreciating currency was examined and found to have little foundation in the commercial history of Mexico. It was the conclusion of the minister that the expansion of the mining industry, though facilitated by the depreciation of the local currency, could not be ascribed to that as the chief cause, but to other causes, foremost among which were the construction of railways into B&W regions, the cheapening of transportation rates, and modern methods of treating the ores. Turning<sup>1</sup> to the figures of gross export trade, it was pointed out that during the ten years ending with 1891, when the fluctuations in the gold value of silver were slight, total exports rose from \$26,000,000 to \$53,000,000 in American gold, while for the ten years ending with 1901, during which the value of the Mexican peso fell from 84 to 48 cents in gold, the increase in the value of exports, reduced to gold, was only from \$63,000,000 to \$77,000,000, or about twenty-two per cent\* The Minister

<sup>1</sup> *Commission on International Exchange* ^ 190\$, 419.

<sup>2</sup> *Monetary Reform in Mexico*, 4. This subject was discussed and similar conclusions reached in a paper submitted to the Mexican